ORIGINAL JOHNSON UTILITIES, L.

5230 East Shea Boulevard Suite 200 \* Saute del



5230 East Shea Boulevard, Suite 200 \* Scottsdale, Ariz PH: (480) 998-3300; FAX: (480) 483-7908 FC EIVED

2015 OCT -8 A 11: 48

October 8, 2015

AZ CORP COMMISSION DOCKET CONTROL

Mr. Brian K. Bozzo Arizona Corporation Commission 1200 W. Washington Street Phoenix, AZ 85007 Arizona Comporation Commission

DOCKETED

OCT 0 8 2015

DOCKETED BY

RE:

Johnson Utilities, LLC; Compliance with Decision No. 71854

RE: Semi-Annual CAGRD Fee Report & Proposed Adjuster Fee

Docket Number: WS02987A-08-0180

Dear Mr. Bozzo:

Pursuant to the above mentioned decision, Johnson Utilities hereby submits this compliance filing in accordance with the Commission's order to file a semi-annual status report on the CAGRD fees.

Enclosed please find the October 2015 report of CAGRD Account Activity attached hereto as Attachment 1. Calculation of the proposed adjuster fee for the Phoenix and Pinal AMA are attached hereto as Attachments 2 and 3 respectively. A redline copy of the proposed tariff filing is attached hereto as Attachment 4.

If you need any additional information in regards to this compliance item, please do not hesitate to contact me. Thank you for your time and consideration in this matter.

**Bradley Cole** 

Chief Operations Officer

Johnson Utilities

cc:

Docket Control (Original + 13 copies)

# **ARIZONA GROUND REPLENSHMENT DISTRICT FEE** Six Months Ended September 30, 2015 JOHNSON UTILITIES, LLC ACCOUNT ACTIVITY

# CAGRD FEES COLLECTED:

Six Month Collections:       889,947.59       72,074.18       962,021.77         Six Month Collections:       238,634.53       6,470.48       245,105.01         April, 2015       279,064.17       6,315.78       285,379.95         June, 2015       358,892.20       7,668.04       365,502.24         July, 2015       358,811.31       8,909.80       367,721.11         August, 2015       405,202.09       9,265.48       414,467.57         September, 2015       2,046,692.76       48,068.74       2,094,761.50         Add; Interest Earned       716.62       29.32       745.94         Less additional amount due to general fund       716.62       29.32       745.94         Ending Liability as of September 30, 2015       2,024,692.70       2,824,692.70		Phoenix	Pinal	Total
238,634.53 6,470.48 279,064.17 6,315.78 358,892.20 7,668.04 358,811.31 8,909.80 405,202.09 9,265.48 406,088.46 9,439.16 2,046,692.76 48,068.74 2 716.62 29.32 29tember 30, 2015	Beginning Balance 3/31/2015	889,947.59	72,074.18	962,021.77
279,064.17 6,315.78 358,892.20 7,668.04 358,811.31 8,909.80 405,202.09 9,265.48 406,088.46 9,439.16 2,046,692.76 48,068.74 2 716.62 29.32	Six Month Collections: April. 2015	£5 <b>P</b> E9 <b>8</b> E <i>C</i>	6 470 48	245 105 01
358,892.20 7,668.04 358,811.31 8,909.80 405,202.09 9,265.48 406,088.46 9,439.16 2,046,692.76 48,068.74 2	May, 2015	279,064.17	6,315.78	285,379.95
358,811.31 8,909.80 405,202.09 9,265.48 406,088.46 9,439.16 2,046,692.76 48,068.74 2 716.62 29.32	June, 2015	358,892.20	7,668.04	366,560.24
405,202.09 9,265.48 406,088.46 9,439.16 2,046,692.76 48,068.74 2 716.62 29.32	July, 2015	358,811.31	8,909.80	367,721.11
406,088.46 9,439.16 2,046,692.76 48,068.74 2 716.62 29.32	August, 2015	405,202.09	9,265.48	414,467.57
2,046,692.76 48,068.74 2 716.62 29.32	September, 2015	406,088.46	9,439.16	415,527.62
716.62 29.32 und		2,046,692.76	48,068.74	2,094,761.50
und	Add; Interest Earned	716.62	29.32	745.94
	Less additional amount due to general fund			(232,836.51)
	Ending Liability as of September 30, 2015			2,824,692.70

# BANK ACCOUNT RECAP:

ce per bank statement - 9/30/2015	sit in transit
Balance pe	Deposit in

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373,505.79	

2,451,186.91

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PO Box 30709 Salt Lake City, UT 84130-0709

**Statement of Accounts** 

Page 1 of 5

This Statement; September 30, 2015 Last Statement: August 31, 2015

Primary Account

**DIRECT INQUIRIES TO:** 1 (800) 497-8168 WWW.NBARIZONA.COM Central (602) 530-5880 2929 N. Central Avenue Suite 120 Phoenix, AZ 85012-0000

0042942

2074-06-0000-NBA-PG0023-00001

JOHNSON UTILITIES LLC **GEORGE H JOHNSON NOSMHOL & ANAL** 5230 E SHEA BLVD STE 200 SCOTTSDALE AZ 85254-5750

Tired of all the paper? Start receiving your statements electronically and view your account notices online. Sign up for Online Banking or login today at WWW.NBARIZONA.COM

SUMMARY OF A	COUNT	BALANCE
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Account Type

**Business Money Market Premium** 

Account Number

Checking/Savings Ending Balance \$2,451,186.91

Outstanding Balances Owed

BUSINESS MONE	MARKET	PREMIUM	0566014989
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Previous Balance

Deposits/Credits

Charges/Debits

Checks Processed

Ending Balance

2,036,278.22

414,908.69

0.00

0.00

2,451,186.91

#### 2 DEPOSITS/CREDITS

Date

Amount

441.12

09/23 09/30

Description 414,467.57

REMOTE DEPOSIT INTEREST PAYMENT

#### 0 CHARGES/DEBITS

There were no transactions this period.

#### **0 CHECKS PROCESSED**

There were no transactions this period.

#### AGGREGATE OVERDRAFT AND RETURNED ITEM FEES

Total for This Period

Total Year-to-Date

Total Overdraft Fees Total Returned Item Fees

\$0.00 \$0.00 \$0.00 \$0.00

To learn more about our other products and services that may lower the cost of managing account overdrafts or to discuss removing overdraft coverage from your account, please contact Customer Service or visit your local branch.

#### **DAILY BALANCES**

Date.....Balance

Date.....Balance

09/23

2,450,745.79

09/30

2,451,186.91



WWW.NBARIZONA.COM

0042942-0000001-0107863

To reconcile your checkbook balance to your statement balance: Mark off each entry in your check register that has been charged to your account during the statement period. List the checks you have written, but are not yet charged to your account in the "Checks Outstanding" column below. Then, follow the instructions in lines 1 through 10.

CHECKS	OUTSTANDING		CHECKBOOK BALANCE	
Check Number	Check Amount		LIST your checkbook balance.	
			ADD any deposits or other credits listed on the front of this statement which you have not recorded in your checkbook (such as payroll credits or other direct electronic deposits).	
		-	3. SUBTOTAL:	
			SUBTRACT any charges listed on the front of this statement     which you have not recorded (such as service charges, automatic     transfers, electronic transactions, etc).	
			5. ADJUSTED CHECKBOOK BALANCE:	
		'	This balance should	l agree with line 10, below.
	<del> </del>	_	STATEMENT BALANCE	
		-	LIST your current statement balance as shown on the front of this statement.	
			ADD deposits made, but not shown on this statement.	
	*****		8. SUBTOTAL:	
		حم	SUBTRACT total from "Checks Outstanding,"	
TOTAL:	<u></u>	لل⊤	10. ADJUSTED STATEMENT BALANCE:	

Transfer to Line 9.

This balance should agree with line 5, above.

#### PROMPTLY EXAMINE YOUR STATEMENT AND REPORT ANY PROBLEM

You must promptly examine your account statements and report any discoverable errors, unauthorized signatures, alterations, missing endorsements, or unauthorized transfers. Failure to do so may result in your loss of certain rights or remedies. For example, you must identify the discoverable alteration or forgery of a check within 30 days of us sending you, or making available to you, the statement reflecting that check, and you must also immediately report to us what you find. Businesses should check their account transactions daily, for which various online services are available. For additional information, please see your deposit account agreement and application service agreement(s) for details. See also the consumer disclosures below.

CONSUMER ACCOUNTS: IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS OR CHECK RESERVE TRANS ACTIONS As soon as you can, please notify us if you think an electronic transfer or credit line transaction is wrong or if you need more information about a transaction listed on the statement. We must hear from you no later than 60 days after we sent or made available the FIRST statement on which the problem or error appeared. The provisions in this paragraph do not apply to business or other non-personal accounts. The owners of those accounts must settle all unauthorized transactions or errors within 24 hours of receipt of the item posting in order to be returned

- 1. Tell us your name and account number.
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

For CREDIT RESERVE accounts: You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. The charge in question may remain on your statement, and we may continue to charge you interest on that amount.

But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question. You must notify us in writing. You can telephone us, but doing so will not preserve your rights. Contact us at National Bank of Arizona, Support Services Department, PO Box 25787, Salt Lake City, UT 84125-0787 or 1-800-497-8168.

For electronic transfers: We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. Contact us at National Bank of Arizona, Support Services Department, PO Box 12009, Tucson, AZ 85732-2009 or 1-800-497-8168.

Balance Subject to Interest Rate: We use the method called "average daily balance", (including current transactions) to calculate the daily balance. If you have any further questions about the method and how resulting interest charges are determined, please feel free to contact us at 1-888-244-6622.

We may report information about your Credit Reserve account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

Please notify us if we report any inaccurate information about your account(s) to a credit bureau. Your written notice describing the specific inaccuracy should be sent to us at the following address: National Bank of Arizona, PO Box 25787, Salt Lake City, UT 84125-0787.

Review account balances • Review posted transactions • Pay bills • Transfer funds
Sign up for e-statements • View e-notices



Page 3 of 5 September 30, 2015 JOHNSON UTILITIES LLC

PO Box 30709 Salt Lake City, UT 84130-0709

INTEREST

Interest Earned This Interest Period Interest Paid Year-To-Date 2015

\$441.12 \$2,746.48

Number Of Days This Interest Period Annual Percentage Yield Earned 30 0.25%

Current interest rate is 0.250% with no rate change this interest period



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#### National Bank of Arizona

ACCOUNT #

This Statement: September 30, 2015 Page 5 of 5

		Pap 41 0232005 12015 1408	/DO41446757/
			Deposit
Cebang RS: Debang Marana: Volong Marana: Yopang Marana:	Johnson Utelses ~***********************************		

Processed 09/23/15 \$414467.57

#### JOHNSON UTILITIES, LLC ADJUSTER FEE CALCULATION PHOENIX AMA

Amount to be Recovered (cumulative 2011 - 2014)	14,959,648.42
Total Collections (9/2010 - 12/2014)	11,767,768.98
Over/(under) collected	(3,191,879.44)
2014 CAGRD Invoice	4,599,237.44
Plus under collections from above	3,191,879.44
Amount to be recovered	7,791,116.88
Total kgal sold in 2014	2,409,288
Charge per kgal	3.23
* Proposed charge per kgal starting December 1, 2015	. 2.57

<sup>\*</sup>The Company proposes spreading the under collected portion over 2 years.



## Invoice CAGRD

JOHNSON UTILITIES LLC KATHERINE NIERVA 5230 E SHEA BLVD SUITE 200 SCOTTSDALE, AZ 85254 Invoice 66830 Customer Number 1286

Billing Date 08/12/2015 Due Date 10/15/2015

Remit To:

CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT P.O. BOX 42447 PHOENIX, AZ 85080-2447

Refer questions to Accounts Receivable: 623-869-2149 inquiries@can-az.com

Description	Qu;	intity	Unit Price	Extended
				Amount
REPLENISHMENT RESERVE	6896.11	a/f	67.00	462,039.37
INFRASTRUCTURE	6896.11	a/f	353.00	2,434,326.83
ADMIN COMPONENT	6896.11	a/f	45.00	310,324.95
WATER REPLENISHMENT	6896.11	a/f	179.00	1,234,403.69
ANNUAL MEMBERSHIP DUES	4890	ca	32.34	158,142,60

Total Amount Due \$4,599,237.44
Payments and Credits 0.00

Pay This Amount \$4,599,237.44

Late charges may be assessed on payments received after the due date.

#### Reference

2014 CAGRD MEMBER SERVICE AREA ANNUAL REPLENISHMENT TAX STATEMENT (26-400665)— Note: Payments not postmarked or received by October 15, 2015 will incur an interest penalty pursuant to ARS 48-3782.A

#### JOHNSON UTILITIES, LLC ADJUSTER FEE CALCULATION PINAL AMA

Amount to be Recovered (cumulative 2011 - 2014)	611,332.88
Total Collections (9/2010 - 12/2014)	348,714.94
Over/(under) collected	(262,617.94)
2014 CAGRD Invoice Plus under collections from above	321,496.59 262,617.94
Amount to be recovered	584,114.53
Total kgal sold in 2014	332,894
Charge per kgal	1.75
* Proposed charge per kgal starting December 1, 2015	1.23

<sup>\*</sup>The Company proposes spreading the under collected portion over 3 years.



## Invoice CAGRD

JOHNSON UTILITIES LLC KATHERINE NIERVA 5230 E SHEA BLVD SUITE 200 SCOTTSDALE, AZ 85254 Invoice 66831
Customer Number 1286
Billing Date 08/12/2015
Due Date 10/15/2015

Remit To:

CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT P.O. BOX 42447 PHOENIX, AZ 85080-2447

Refer questions to Accounts Receivable: 623-869-2149 <u>inquiries@cap-az.com</u>

Description	Quant	Quantity		Extended Amount
ANNUAL MEMBERSHIP DUES	1205 e	a	32.34	38,969.70
REPLENISHMENT RESERVE	446.33 a	/f	75.00	33,474.75
INFRASTRUCTURE	446.33 a	/f	353.00	157,554.49
WATER REPLENISHMENT	446.33 a	/f	160.00	71,412.80
ADMIN COMPONENT	446.33 a	/f	45.00	20,084.85

Total Amount Due \$321,496.59
Payments and Credits 0.00

**Pay This Amount** \$321,496.59

Late charges may be assessed on payments received after the due date.

#### Reference

2014 CAGRD MEMBER SERVICE AREA ANNUAL REPLENISHMENT TAX STATEMENT (26-401382.0000)--Note: Payments not postmarked or received by October 15, 2015 will incur an interest penalty pursuant to ARS 48-3782.A

DOCKET WS-02987A

Cancelling Sheet No. 7.4 7.5

#### **PART ONE**

#### STATEMENT OF RATES AND CHARGES—WATER DIVISION

#### Ε. Central Arizona Groundwater Replenishment District Adjustor Charge.

- CAGRD Adjustor Mechanism. In Decision No. 71854 dated August 24. 1. 2010, the Arizona Corporation Commission authorized the Company to implement a Central Arizona Groundwater Replenishment District ("CAGRD") adjustor mechanism to recover the annual tax assessments imposed upon the Company by the CAGRD as a result of the Company's membership in the CAGRD. Accordingly, in addition to all other applicable rates and charges in this tariff, each customer shall pay a monthly CAGRD adjustor charge per thousand gallons of water delivered, as set forth below, effective for all water service rendered in all water service areas for all classes of service on and after June 1, 2010, in accordance with all conditions set forth in Decision No. 71854. The CAGRD adjustor fee shall be calculated as follows: The total CAGRD fees for the most current year in the Phoenix Active Management Area ("Phoenix AMA") shall be divided by the gallons sold in that year to determine a CAGRD fee per 1,000 gallons delivered to customers in the Phoenix AMA. Similarly, the total CAGRD fees for the most current year in the Pinal Active Management Area ("Pinal AMA") shall be divided by the gallons sold in that year to determine a CAGRD fee per 1,000 gallons delivered to customers in the Pinal AMA. By August 25th of each year, the Company shall submit for Commission consideration its proposed CAGRD adjustor fees for the Phoenix AMA and the Pinal AMA. along with the calculations and documentation from the relevant state agencies to support the data used in the calculations. The Commission-approved CAGRD fees shall become effective on October 1 and shall remain in effect until the next CAGRD fee is calculated and approved. To prevent over or under recovery of CAGRD assessments, an annual true-up shall be performed at the time the Company submits its proposed CAGRD adjustor to the Commission. Any over or under recovery of CAGRD fees shall be included in the next year's computation.
- CAGRD Adjustor Fees. A CAGRD adjustor fee shall be applicable to each thousand gallons of water sold, as follows:

AMA Where Customer Resides: Rate Per Thousand Gallons of Water Delivered:

Phoenix AMA \$2.57 (effective 12/1/2015)

\$1.61 (effective 12/1/2014)

Pinal AMA \$1.23 (effective 12/1/2015) \$0.27 (effective 2/1/2015)

Issued: October 23, 2015 24, 2014 Effective: December 1, 2015 2014

ISSUED BY:

George H. Johnson, Managing Member Johnson Utilities Company 5320 E. Shea Blvd. Scottsdale, AZ 85254